FBIS DAILY REPORT

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COUNTRY'S ECONOMIC SITUATION AFFECTING ARMY

1985 Budget May Be Cut

PY270205 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2030 GMT 25 Dec 84

[Text] Buenos Aires, 25 Dec (NA) -- According to information leaked by sources close to the Army, Army Chief of Staff General Ricardo Pianta will receive a report from corps commanders tomorrow. The report will deal with the effects of budget cuts on Army units, which has in some cases resulted in the discharge of conscripts due to food shortages.

It has been reported that Pianta may have summoned the commanders to a meeting to be held after Christmas in order to analyze the internal situation of the Army, in view of the fact that all the budget allocations granted to the Army for 1984 have already been spent.

According to reports leaked in recent days by military circles, officers and NCO's are standing guard in most cases in at least six brigades as a result of the discharge of conscripts. This has reportedly given rise to expressions of dissatisfaction among low-ranking personnel in a unit under the jurisdiction of the V Corps.

It should be recalled that during a meeting held by generals about 1 month ago, corps commanders pointed to the critical situation created by the economic difficulties of the units. At that meeting, it was reportedly agreed that a proposal would be submitted to the Defense Ministry asking it to authorize "allocations for specific items" to meet some of the most pressing needs.

Another major concern discussed in that meeting, when the federal courts had not yet reopened the Astiz case, was the need to offer guarantees to mid-level officers in connection with the investigation into the anti-subversive war.

Meanwhile, Defense Ministry sources have reported that the work on the definition of the main guidelines for the 1985 military budget will be resumed within the next few days. The sources pointed out that "just as it is important to adjust the military budget to the country's situation in 1985, it is also important to take into account the prospects for 1986 and what is to be expected from the Armed Forces in that year."

In the week before Christmas, a meeting took place at the Government House presided over by President Raul Alfonsin and attended by top Defense Ministry officials headed by Defense Minister Raul Borras and Secretary Horacio Jaunarena. The meeting was also attended by the representatives of the Finance Ministry headed by accountant Norberto Bertaina. It was learned that this meeting was one of a series of meetings that the president is planning to hold with all the cabinet members to ensure that "the accounts planned by the Economy Ministry for 1985 are as flexible as possible."

Military sources have pointed out that Borras had reportedly foreseen, in principle, an approximately 10 percent reduction in the military budget for 1985, on the basis of the 1984 budget. However, it has not been ruled out that "the figures may remain unchanged in view of the economic problems of the Armed Forces."

The Defense Ministry figures are calculated by Budget Under Secretary Ricardo Gargiulo, who replaces accountant Cucchiara and who is under the jurisdiction of Raul Tomas, the secretary of production for defense.

Defense Ministry sources have reported that a meeting might be arranged with Army suppliers this week to formulate a plan to finance the 12-billion peso debt owed by the Army. The sources pointed out that the problem also affects the Finance Ministry, which must grant the necessary allocations to solve the situation, which is why "the issue is being jointly discussed in order to find the most appropriate solutions." They stressed, however, that any eventual solution will be similar to the agreements that were reached with other state suppliers, which have also received their payment with considerable delay, and that have taken into account "the difficult situation that the public administration is experiencing."

Sources close to the suppliers have leaked that the state has been late with payments from 90 to 120 days.

Corps Commander Denies Unrest

PY282225 Buenos Aires TELAM in Spanish 2325 GMT 27 Dec 84

[Text] Bahia Blanca, 27 Dec (TELAM) -- The office of the commander of the Corps this afternoon issued a communique refuting media reports claiming that there is unrest in one of its units in view of the cuts in the military budget.

The communique signed by the secretary general of the V Corps headquartered in Villa Floresta, Bahia Blanca, Colonel Hilario David Sagasti, states: "In view of press and TV reports claiming that a unit of the V Corps is experiencing publicly stated displeasure, this command feels that it is its duty to refute such reports and to state that no situation of giving rise to the abovementioned reports has taken place in the V Corps."

The information regarding the alleged unrest was disseminated by a national news agency, other than TELAM. This report did not specify the unit in question nor provide other details.

UNEMPLOYMENT COMPENSATION SYSTEM ESTABLISHED

PY271127 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1925 GMT 26 Dec 84

[Excerpt] Buenos Aires, 26 Dec (NA) -- The government has decided to establish an unemployment insurance system that will benefit dismissed workers with 70 percent of their salaries and continued payment of family allowances. These benefits will last for 6 months for workers under 45 years of age, and for 9 months for those over 45.

The implementation of this workers assitance system was announced 21 December by President Raul Alfonsin, who emphasized "the convenience of establishing protection" for the unemployed.

Decree No 2884 which implements the system of protection for unemployed workers was promulgated today. It is signed by President Alfonsin and Labor Minister Hugo Barrionuevo, but not by Economy Minister Bernardo Grinspun.

The benefits will be extended to any employed worker who is involuntarily dismissed from his job up to 31 December 1985, except in cases specified in the text of the decree.

These are the exceptions: Workers who voluntarily resign from their jobs; workers who have been working for less than 1 year; workers who have taken other jobs; workers who die; and workers who leave their jobs to retire.

The preamble of the decree emphasizes "the executive branch's determination to promote legal modifications necessary to assure workers' dignity as dictated by the Constitution."

The benefits will be granted for 6 months, and those workers who are 45 years old or older will be able to request that the benefits be extended for another 3 months.

The workers affected by the provisions of Decree No 3984 and their immediate family will be entitled to receive medical assistance from the social work institution to which they belong without having to pay the corresponding fees.

CGT Opposes System

PY271130 Buenos Aires TELAM in Spanish 2351 GMT 26 Dec 84

[Text] Buenos Aires, 26 Dec (TELAM) -- The General Labor Confederation [CGT] today said that the unemployment benefits which the Argentine Government approved today are just a hasty attempt to silence the people's dissatisfaction, because rather than resolving the problems of the workers, an effort is being made to cover them up for a short time.

"The amount established does not provide even 30 percent of the money which an average family spends on food," according to a CGT communique signed by Saul Ubaldini and released this evening. The communique adds that "this amount is an insult because it is even 30 percent less than the minumum survival wage which the government feels can cover the minimum requirements of an individual."

After pointing out that the regulations themselves allow for deceit, the communique goes on to say that the government's announcement is an isolated measure whose aim is to lull the people while speculation and dependency take hold.

The communique stresses that "with the Treasury out of money, the productive apparatus exhausted, with rural and city producers incapable of paying any more taxes, and with totally bankrupt regional economies, the only way the government could finance this new expenditure would be by printing more money without any backing." It adds: "Thus, benefits and salaries will vanish as swiftly as they arrive, in another insane twist of the inflationary spiral."

The CGT concludes by calling on the government for imagination, daring and patriotic decisiveness to proudly give priority attention to Argentine labor. "All of us workers will unconditionally join this drive for the recovery of hope," the communique ends by saying.

CORRECTION TO HIGH-RANKING ARMY APPOINTMENTS

The following correction pertains to the item headlined "High-Ranking Army Appointments Disclosed," published in the 26 December Latin America DAILY REPORT page B 1, first paragraph, line three:

...Leopold Hector Flores as deputy commander of the V Corps, and...(supplying dropped word "deputy")

REPORT ON INTELLIGENCE SERVICE ACTIVITIES

[Y271628 Sao Paulo FOLHA DE SAO PAULO in Portuguese 25 Dec 84 p 4

[By Brasilia correspondent Rubem de Azevedo Lima]

[Text] Tancredo Neves, who is expected to be Brazil's next president, will confront so many contradictions and conflicts of interests in the national security sector that he almost certainly will have to draft a new policy for the Brazilian Armed Forces.

Most of these conflicts stem from distortions that have been generated in the last few years by the intelligence community, which is in charge of protecting government leaders.

Within this group, the most important organization is the National Service for Intelligence (SNI) which over the years has implemented a policy aimed at gradually raking over civilian activity, while simultaneously reducing the role of the military in national security matters to its simplest terms.

Twice a day and wherever he may be, the president of Brazil receives from the intelligence community a full report on the social, economic, political and military situation of the country, with the alternatives which it believes are the most suitable for solving the critical current issues the nation is confronting.

These reports, which are considered state secrets, merely provide the unilateral thinking and ideas of the intelligence community, since they are not checked by the civilian sector. These reports are based on information or reports provided by the thousands of agents who are spread throughout the country and abroad, and many of them are based only on facts created by the SNI's own operations division.

All ministries -- except for the Foreign Ministry which is headed by a career diplomat who has attended the Superior War School -- have a Security and Intelligence Department (DSI) headed by a colonel or general, or their equivalents in the other branches of the Armed Forces.

In state-owned organizations, self-supporting organizations, foundations, public enterprises, or mixed economy enterprises there is a Security and Intelligence Advisory Office (ASI).

These organizations, controlled by the SNI, have informers throughout the country in the local branches of the respective ministries, self-supporting enterprises, foundations, and so on, in the corresponding sectors at the municipal or state level, and in military and civilian police organizations.

This fantastic intelligence community with about 300,000 agents spreads its tentacles to all national activity sectors. But beyond its importance in view of its numerous members or the origin of its leaders, the intelligence community became particularly strong after 1964 -- the year in which the SNI, the head of the intelligence community, was established -- for various reasons.

After 1964, open advertising to select officials at the various levels became rare. Despite this, the number of public servants in the country has more than doubled in the past 20 years, due to the hiring of personnel because of political influence, or through the Consolidated Labor Laws (CLT). As a general rule, these officials were hired with higher salaries than other state employees who had the same qualifications. The personnel who were hired through the CLT -- over 400,000 -- had to be approved by the respective DSI or ASI, or were hand-picked, in special cases, by the hierarchy of the intelligence community.

Therefore, the intelligence community obviously gained influence over the administration, the personnel, the politicians, and the technocrats.

In addition, the public administration, including state-owned companies like Petrobras, the Brazilian Electric Power Companies [Electrobras], the Brazilian Radio Broadcasting Company [Radiobras], the Northern Electric Power Plants [Electronorte], the Southern Electric Power Plants [Electrosul], Brazilian Telecommunications, Inc. [Telebras], the Rio de Janeiro Telephone Company [Telerj], the Study Group for the Political Integration of the Transportation Sector [Geipot], the Brazilian Urban Transportation Company [EBTU], the Brazilian Port Enterprises [Portobras], the post and telegraph enterprises, and others were militarized either directly or indirectly. Not even the Administrative Department of Public Service [DASP] or the Brazilian News Enterprise [the old National Agency] were spared. It is estimated that approximately 15,000 retired Army officers have been hired.

This "occupation" was part of a project prepared during the period of greatest political repression after the implementation of Institutional Act No 2 October 1965, and Institutional Act No 5 of December 1968, which sought to preserve power for an indefinite time. The original idea gained ground after the 1964 revolution with the creation in Rio de Janeiro of a school in Forte do Leme for Army officers to give them intensive training as specialists in public administration.

Later, by decision of the Education Ministry, the basic course of the military schools became equal to four semesters in all the establishments of higher education in the country, and the officers who wanted to enter these establishments were exempted from taking entrance examinations. Eventually, the military students only had to attend the courses that were not included in their regular curriculum.

For this reason there are very few officers who are not studying or did not study in establishments of higher education. Therefore, with the creation in 1965 of the profession of administrative specialist, many officers who were directors or administrators in their respective units were able to graduate in a new profession.

The holding of key positions in public administration by officers was an operational convenience for the intelligence community. Through this the organization was able to get the support of reliable agents in that area and at the same time resolve sensitive internal situations. In addition, officers with 30 years of active duty who were not promoted were assured a position in public office or private business, and the establishment wants to preserve this system. This practice has increased the power of the intelligence community to interfere with and keep control over the civilian society.

Two negative aspects of this policy are now being questioned. First of all, the Armed Forces became looked upon by career officers as a springboard for the interests of non-career members of the Armed Forces. This in some way affected the objectives of the plan to take over civilian power, to provide as much security as possible to the regime, because it contributed to discouraging officers from pursuing their professional tasks and held them up before society as privileged competitors with the civilians. Second, with the explosion of the economic and social crisis, the "occupation" policy developed by the intelligence community worsened the problem of unemployment in very sensitive areas, such as for civilian professionals, or among the traditional allies of the regime, the middle class. Anyway, the philosophy of the intelligence community did not suffer any significant changes in the military area.

As a result of the occupation doctrine it can be predicted that in 1985 under the new government this practice will continue at full speed among the military, even if it is suppressed in civilian circles. Thus, at least 80 percent of the Army commands throughout the nation will be filled next March by officers of the intelligence community. Therefore, for the next 2 years, the regular term of duty for the new commanders, the internal structure of the intelligence community will have solid points of external support.

One of the two basic reasons for maintaining the current structure of the intelligence community, that of keeping the government informed, will continue under General Joao Batista Figueiredo's successor, even if Tancredo, the virtual winner, does not associate himself with the ideas that gave origin to the 1964 regime. If the former Minas Gerais governor wins and is inaugurated president of the Republic, he will then learn the second reason for preserving the "status quo" of the intelligence community: to keep watch over the so-called "domestic enemies."

The theory of "domestic enemies" long ago prompted a curious dialogue between agents graduated from the Brazilian intelligence community and some foreign officers. The Brazilians explained this theory in a general manner, but the foreigners did not understand it and asked for further explanations on the concept.

Domestic enemies are primarily communists and leftists, whether covert or overt, the Brazilian agents explained.

The foreigners replied that in their countries even communists are considered citizens, although the great majority of society does not share their political views. When a communist follows the path of violent political action, terrorism, for instance, these governments counterattack legally without resorting to processes that might jeopardize public order.

One of the foreign officers, a European, at the end of the meeting stated that he had the impression that the Brazilian intelligence community was ready, at the slightest abnormal situation, to subvert the institutional order under the pretext of preventing a leftist threat.

Any precipitated move, such as the attack against Reagan in the United States, or the explosion of a bomb, as happened in Itaiu by the Red Brigades, according to the standpoint of the Brazilian intelligence community, would disrupt normalcy and would demand the military's interference in the political process.

According to the strictly professional Brazilian military officers, that problem, limiting the jurisdiction of the Armed Forces in the political process, must be restructured under the next government.

These officers state that in time of war, the military authorities would naturally assume the civilian command, and that under such circumstances, everything would be placed under military jurisdiction. But under a normal situation, that of peace, the generalized opinion among the professional military officers is that the military's jurisdiction is limited to the barracks. The establishment of limits, in this regard, must be established by the civilian society. Under these circumstances, a terrorist crime and terrorist banditry (until the abolishment of the Institutional Acts, attacks on banks were considered attacks on national security) should be placed, according to these military officers, under the ordinary laws. If necessary, the legislation could be updated, especially concerning the penal code, in order to spare the Armed Forces from any involvement in the matter.

Cases of offenses committed against the military should also fall under the jurisdiction of the courts, to prevent the Armed Forces from acting both as "a party" and as "a judge," or from having under their jurisdiction, potentially, all Brazilian citizens.

Those cases involving persons who are not career military officers or who are not in the military should also fall under civilian jurisdiction.

The professional military officers, whose ideas are rejected by the intelligence community, admit that in some cases there are complex situations, as when they have to maintain internal order. They admit that the Armed Forces must act in a critical situation, and that they must not let an opportunity pass, under the risk of not having the appropriate conditions to act effectively later. In this case, they understand, however, that the correct thing would be for the military to voice their complaints, through the hierarchy, to the Armed Forces representatives at the constitutional organizations, such as the National Security Council and other regular channels.

Any other behavior would mean breaking discipline and disrupting institutional order, which the Armed Forces must preserve.

In sum, these officers find it essential that a new policy be formulated for the Armed Forces. This policy should be different from the one now in force, which is based on the interests of the intelligence community. This new policy would be designed to promote smooth ties between the military and civilians. Based on this policy and upon the restoration of a system under which the military will again devote full time to their own affairs, efforts should be made to make the military organization as effective as possible in order to preserve both national security and sovereignty.

In the opinion of these officers, a country must rely on its armed forces to exercise its role within the international community and to preserve its sovereignty. It was formerly believed that Brazil could only preserve its sovereignty if it became a great power and was capable of defeating, whether in an armed conflict or not, those domestic enemies over which the SNI is concerned. This idea has now been overcome.

In fact, it would not be advisable for anyone, even for a powerful enemy, to attack a country having modern, well-trained professional military forces that are imbued with sound social and moral values, despite the disagreements that cannot be eradicated from any human group.

The SNI files secret reports to the president twice a day: early in the morning and in the afternoon (at 0700 and 1500, respectively). These reports reach the president no matter where he is, at his official residence or anywhere in the country or abroad. These reports, which are prepared at SNI headquarters, cover events taking place between the end of one work day at Government Palace and the beginning of the next work day.

The SNI analyzes each event included in the report and, if the case requires a government decision, suggests alternatives it considers to be best suited to the situation.

These reports also contain foreign news, which is basically taken from press reports, concerning other countries.

General Joao Figueiredo, who was personally responsible for preparing this report during his tenure as SNI chief, has time and again told his friends that he endorses former FBI Director J. Edgar Hoover's view of this aspect of information. Hoover said that "80 percent of the information included in confidential reports comes from the press." The remaining 20 percent of the information included in the SNI reports covers primarily undisclosed political and economic issues and the social and military situation.

It was through one of these reports that President Figueiredo learned about a decision made by a minister who endorses Paulo Maluf's presidential candidacy to take legal actions against TV Globo, which was believed to be the backbone of Tancredo Neves' candidacy. The government's decisionmaking team -- Generals Octavio Medeiros, Danilo Venturini, and Rubem Ludwig, and Colonel Moacir Coelho (director of the Federal Police) -- canceled an order for the seizure of "containers" of the TV Globo issued by the pro-Maluf minister. Gen Figueiredo then approved the action taken by his aides.

It was through an SNI report that the president also learned about a private meeting held shortly before the last meeting of the Senate board by the Senate president and Mr Roberto Marinho [director of O GLOBO] in Rio de Janeiro.

In addition to significant daily events, the SNI also informed the president that former Petrobras President Shigeaki Ueki, annoyed by the Senate's veto of his appointment as ambassador to the EEC in Brussels, would ask the president to withdraw his appointment.

Pieces of miscellaneous information that are important for the scheme of political-military relations in Brazil are always included in the reports. Consequently, General Figueiredo might be the only Brazilian in the government who knows that General Jose Ramalho, president of Portugal, will turn 50 next January.

But some pieces of information are not that rosy, like the ones the SNI sent to General Figueiredo during the last year Paulo Maluf was governor of Sao Paulo. In one of the daily bulletins of that time it says that the French Oil Company ELF-Aquitaine, which was interested in participating in the oil-prospecting program sponsored by the Sao Paulo governor, had received a confidential report from Brazil noting that Mr Maluf was not a trustworthy politician. Incidentally, for some time the most trusted of President Figueiredo's aides used to refer to the PDS presidential candidate as "pas confiable" ["the untrustworthy"].

During the Medici government, between 1972 and 1973, in detailed daily reports the SNI followed the worsening deterioration of the political situation in Chile, then under the socialist government of Salvador Allende. Highly reserved information attributed to a Mr B, perhaps referring to Broe, head of CIA for Latin America, or to an Ambassador K, maybe referring to Korry, the U.S. ambassador in Chile, was included in those daily reports. At that time hundreds of Brazilian exiles resided in Chile and the SNI kept track of their movements out of fear that some of them could return to Brazil and join the urban guerrilla movement that was very active at that time.

At about the same time, apparently unexplainable episodes took place in Brazil, like the one in which the car of a former TASS correspondent in Brasilia was hit by a volley of machine-gun fire, right in the downtown area of the city.

Episodes of that type have never been clarified, and the SNI Operations Divisions gained great notoriety while the stories about the intelligence community grew bigger.

In 1983, when the SNI created a problem for the government because of the death of journalist Alexander von Baumgarten, a former member of the organization was the one who in the Chamber of Deputies raised the most serious suspicions about the irregular activities of the intelligence community.

Former Colonel Helvecio Leite made the denunciations. While making a statement before a Congressional Investigative Commission probing irregularities in the Military Pensions Funds [Capemi] regarding the cutting of trees and the sale of timber in connection with the Tucurui hydroelectric project, he insinuated that the organization had tried to kill him.

Former Col Leite worked for the SNI for more than 3 years and left it to attend the Superior War College. Later, when he was already in the reserves, the former colonel was punished for disciplinary reasons on charges of having criticized SNI authorities whom he suspected were involved in the Capemi operations.

"An operation was set against me," Leite told the Chamber of Deputies. "One night on my way back home, I found it strange to see theree cars standing in a row on the road that I was supposed to drive through in Largo de Humaita in Rio de Janeiro. While I was driving by them, a flash of light emerged from between two of the cars. I thought it was a searchlight. Afterward, I heard a detonation and a shattering noise inside my car. Perhaps, I thought, I had driven over a manhole cover and asphalt squirted inside the car. I kept the window open and the windshield closed. Suddenly, I look at the windshield and it was bent. That was a shot, I told myself. When I arrived at a garage, I looked at it and there it was, no doubt, the impact from a bullet. I then realized that I had been shot at. I found that strange, very strange. After I realized what had happened, I went to the police and they confirmed that, in fact, the hole in my car was caused by a bullet from a .38-caliber handgun. They told me that my life had been saved, because the shot was aimed at a vital part of my body. I was lucky that the bullet hit the molding around the windshield and went off mark, missing my chest." In conclusion, Leite said: "Afterward, I actually convinced myself, after probing here and there, that it was an operation against me."

In the meantime, officially, the attack, as many others, was never cleared up. By the same token, reports made to the president of the Republic involving officials connected with the SNI were also never investigated. One of those reports involved the acquisition of a luxurious house in the State of Florida, in the United States, by a former SNI agent. The purchase of the house, according to a document forwarded to President Figueiredo's assistants, was made using funds derived from contraband Brazilian gold sold to foreign countries.

Even though it is being criticized by its opponents, the SNI, although astonished at the new course taken in the nation's politics, a course that is beyond its control, continues to have a say in many matters.

It was through an SNI resolution that the government vetoed in the draft bill on information. The provision included by Workers Party [PT] Deputy Jose Eudes authorizing the access of any Brazilian citizen to the SNI files in order to correct information on their former life that might be incorrect.

Still under the influence of that organization, almost every movement championing ecology or repudiating industrial projects that cause pollution are regarded as initiatives seeking to paralyze governmental actions and the country's progress.

Shortly after the Social Democratic Party [PDS] convention this past August, when the government's security sectors still believed Mr Paulo Maluf could win in the indirect elections in January 1985, the intelligence sector acted surreptitiously to neutralize the military officers who supported the candidacy of Tancredo Neves by transferring them to the reserves whenever this was possible or transferring them to outlying units.

The SNI tentacles are still long and do not permit a military decoration to be awarded except to those who are absolutely reliable.

In this context, the next president of the Republic will have to put into practice all his political skills to find a solution that is suitable to the national interests, a solution which, at the same time, does not compromise his reputation nor gives rise to a situation that threatens his government's stability.

ANGRA I NUCLEAR POWER PLANT TO BEGIN OPERATION

PY280240 Sao Paulo FOLHA DE SAO PAULO in Portuguese 27 Dec 84 p 13

[Text] Brasilia -- Brazilian Mines and Energy Minister Cesar Cals has reported that the Angra I nuclear power plant will be officially dedicated on 17 January, because all the final tests permitting the power plant to operate at the full capacity of 626 megawatts have been satisfactory. The construction of the power plant, which began in 1972, has been delayed because of a number of problems both with the buildings and the operation of equipment supplied by the U.S. Westinghouse Corporation.

Nuclebras President Dario Gomes said that Brazil has now mastered the nuclear cycle, starting from the construction of nuclear power plants all the way to the production of fuel. According to Gomes, the progress attained in this area is set forth in a report which will be delivered to the incoming government.

Gomes said that the process of technology transfer provided for in the Brazilian-FRG accord is practically completed. The uranium enrichment plant of Resende (Rio de Janeiro) will go into operation in February 1985 and is scheduled to begin enriching uranium at 1 percent during the second half of the same year. Furthermore, the country will be able to process uranium at 3 percent in the short term.

JARPA SPEAKS AT NEW INTENDANT CEREMONY

PY271936 Santiago Domestic Service in Spanish 1630 GMT 27 Dec 84

[Excerpt] Speaking at today's ceremony at which the new Santiago intendant, General Osvaldo Hernandez, assumed his duties replacing General Roberto Guillard, Interior Minister Sergio Onofre Jarpa said that the people are not very interested in ideological issues, but that they are mainly interested in the solution of their real needs, such as jobs and education.

[Begin recording] The fact is that people are not very interested in ideological issues. The great ideological issues are to be discussed and treated by political trends. The people are mainly interested in the solution of their real problems: jobs, education, housing, transportation, health, child care, the environment, and so on. This is the first commitment of all authorities, and this is what intendants throughout Chile are doing at this time and under this government. [end recording]

EXILES TURNED AWAY IN SECOND ENTRY ATTEMPT

PY210225 Madrid EFE in Spanish 0022 GMT 21 Dec 84

[Text] Santiago, Chile, 20 Dec (EFE) -- A group of 21 Chilean exiles that tried to enter the country through the Chilean-Argentine Los Libertadores Pass were not allowed to enter the country. Although the Argentine border police granted them visas to leave the country, the Chilean authorities stopped them from entering Chile in accordance with the decrees that affect them. The group includes exiles living in Argentina and others who had arrived from Europe. Mireya Baltra, former labor minister under the socialist government of Salvador Allende, is the most notable of the latter group of exiles.

The group had made a first try to cross the border on 19 December, but on that occasion they were not allowed to enter Chile because the bus that was carrying them did not have the appropriate documentation. They were able to overcome that problem for the second attempt today.

Give Up Entry Attempt

PY271946 Buenos Aires TELAM in Spanish 1610 GMT 27 Dec 84

[Excerpt] Mendoza, 27 Dec (TELAM) -- A group of Chilean exiles that has stayed at the border locality of Las Cuevas since 19 December, when the exiles were violently expelled by Chilean security forces as they tried to enter the country through the international tunnel, this morning returned to the capital of Mendoza Province without again trying to return to Chile. They are due to fly to Buenos Aires in the next few hours.

DETAINED U.S. PRIEST EXPELLED 26 DECEMBER

PY280052 Paris AFP in Spanish 0032 GMT 28 Dec 84

[Text] Santiago, 27 Dec (AFP) -- U.S. Catholic priest (Denis O'Mara) was expelled from Chile tonight. (O'Mara) was arrested on 24 December along with Irish Priest (Liam Hollohan) and two Chilean nuns upon leaving a church in Santiago. The priests boarded a Peruvian State Airlines plane, which will make stops in Lima, Kingston, and Miami.

WORKERS STOPPAGE PARALYZES MONTEVIDEO PORT

PY272110 Madrid EFE in Spanish 1540 GMT 27 Dec 84

[Text] Montevideo, 27 Dec (EFE) -- The port of Montevideo has been virtually paralyzed by a strike staged by a sector of the port workers. In addition to the obvious difficulties, the strike has caused substantial losses.

The national port administration employees' struggle for better salaries and other demands has practically paralyzed loading and unloading operations.

Several ships anchored at the port cannot operate. As a result, some ships are losing as much as $10,000 a day. This is the case of Panama's Roberto, Greece's Capitan Steganos, container ship Van Dyck, and the ships Susana and Saxon Star , among others. Since many of these ships will leave in the next few hours, several commercial operations, in some cases amounting to millions of U.S. dollars, will be lost.

Other ships have passed by the port of Montevideo and headed for Buenos Aires and Brazil, where they will unload the merchandise shipped to Uruguay.

TWO OFFICERS WHO OPPOSED 1973 COUP RELEASED

PY272109 Madrid EFE in Spanish 1746 GMT 27 Dec 84

[Text] Montevideo, 27 Dec (EFE) -- Two high-ranking Uruguayan Army officers who opposed the coup in 1973 and who were charged with alleged involvement in subversive activities have been released by the military courts after serving 8 years in prison.

They are Lieutenant Colonel Ariel Gerona, 50, detained in 1976 and handed a 10-year sentence, and Major Walter Maceira, 45, who was brought to court on the same date and who was sentenced to 9 years.

The courts ordered their early release on the grounds that they have served more than 50 percent of their prison terms and that they maintained good conduct. The release of these two officers comes after the release of a major and two lieutenants, who left the prison on 21 December under a program agreed upon by the politicians and by the Armed Forces to create an atmosphere in keeping with the reopening under way in Uruguay.

Ten officers who opposed the coup are still in the regime's jails. They were given sentences ranging from 8 to 30 years, in addition to other punitive measures such as being discharged from duty, definitively dismissed, and the cancellation of civil rights for 2 to 10 years.

More than 450 civilian political prisoners are still in jail, and it is believed that some 280 will still be in jail when the democratic government takes over on 1 March.

COCINA ON SELCTION OF ANTI-CORRUPTION OFFICIALS

PA272023 Panama City LA PRENSA in Spanish 27 Dec 84 p 11 A

[Coordinating Board for National Civilianization [Cocina] message to the people, issued in Panama City on 27 December: "We Are Alert to the Imminent Designations"]

[Text] Cocina has organized itself to achieve four points. The four points are the banners of the Panamanian people's struggle. On 12 December, we achieved the abolishment, by deed and not by word, of Law 46. This first Cocina point established for the future is the rejection of any imposed law and the implementation of dialogue as an instrument of democratic participation in the creation of laws.

The second, third, and fourth Cocina points constitute a task that will have to be carried out gradually. To control corruption, recover ill-gotten properties, and significantly reduce the Defense Forces' budget are the future actions that Cocina will pursue. The designation of the comptroller and deputy comptroller general, as well as the designation of the attorney general and the administrative attorney, should correspond, by deed and not by work, to the measures included in Cocina points two, three, four. The national government has a brief period of time constitutionally, until 1 January, to name these officials. Cocina is of the opinion that only independent persons of proven honesty, who did not hold public offices during the revolutionary process and who have not been linked to the corruption of the military regime or regimes prior to this, are suitable to fulfill the current demands made by Cocina and the Panamanian people.

With whoever is designated by the government and through whatever mechanism of consulation with political, business, labor, union, or civic sectors, Cocina calls on the people to remain alert and vigilant in order to initiate, by deed and not by word, measures to control corruption, recover ill-gotten properties, and supervise with decency the general state budget, including a drastic reduction in the Defense Forces' budget.

The comptroller general's first tasks will be to publish the assets and properties of all of the state institutions and to control the income and outflow of the public treasury within the budget. The new comptroller will not be able to allow, for one more day, the existence of tax collections outside the budget, such as those carried out by ministries and autonomous institutions, and he will not be able to tolerate any public spending that is not supported by the budget. He will also have to cut unnecessary and unproductive spending.

The attorney general, likewise, should initiate, by deed and not by word, control of the corruption of public officials, demanding from them a sworn statement of their properties, and will also initiate the recovery of the ill-gotten properties by those officials or persons who carried out or took advantage of the mismanagement of the Social Security Bank, the National Finance Corporation, the National Bank, the Van Dam, the Housing Ministry, Bayano Cement, the Institute of Hydraulic Resources and Electrification, the Agricultural Development Bank, Cerro Colorado, airports and so forth.

Cocina will form a special commission for the recovery of ill-gotten properties and will collect all available information so that the attorney general can initiate the task of investigating suspects and trying them.

The clamor of the Panamanian people and Cocina at this time is for the initiation of measures to achieve the four points. The people have already shown that they will be firm in the struggle for decency. Wait and participate in the new actions!

[Signed] Cocina

COSTA RICA

GOVERNMENT PRESENTS PROTEST NOTES TO NICARAGUA

PA270236 San Jose Radio Reloj in Spanish 0100 GMT 28 Dec 84

[Text] The Costa Rican Government has presented a strong protest to the Sandinist regime [words indistinct] enter the Costa Rican Embassy in Nicaragua. The protest note was handed to Leonor Arguello, Nicaragua's ambassador to Costa Rica, at noon today. In it, the government demands that Nicaraguan law student Jose Manuel Urbina Lara be returned to Costa Rican authorities. In accordance with international laws on asylum, the Costa Rican Government has asked the Managua regime to turn Urbina Lara over to Costa Rican Ambassador Jesus Fernandez so that Urbina can receive medical care at a facility other than the military hospital.

Costa Rican authorities are concerned about the fact that Urbina Lara, the student who was taken out of the Costa Rican Embassy in Managua by force on 24 December, was checked into the military hospital under a name other than his own. According to his statement to Costa Rican Ambassador Jesus Fernandez and Costa Rican Consul Carmen Rojas in the presence of Nicaraguan protocol officials, Urbina Lara was checked into the hospital under the name Ricardo Muria Zapata. This has led the student to fear for his health, Costa Rican Foreign Minister Carlos Jose Gutierrez has said. The Costa Rican Government can under no circumstances accept a violation of the right to asylum. This would be a violation of international law, the foreign minister said. He added that Urbina Lara stated that [word indistinct] the woman that [word indistinct] arrived between 1900 and 2000 and as he was being forced into a vehicle, he resisted and the embassy guard shot and wounded him in the leg.

Another element that Costa Rican authorities have found questionable is the fact that the Las Colinas neighborhood, where the embassy is located, only has four access roads that lead to it. However, after 1800 only one of these roads remains open to traffic and it is under heavily surveillance. Therefore, it is not clear how someone was able to enter and leave the area without being detected or stopped, especially after shots went off at the Costa Rican Embassy. Costa Rica has also asked Nicaragua to clarify this aspect of the incident. Jose Manuel Urbina Lara was forced out of the embassy at night.

As she exited the Costa Rican Foreign Ministry this afternoon, Nicaraguan Ambassador Leonor Arguello said that she sees no reason to deny Costa Rica's request for Urbina Lara's turnover. I hope that this takes place in the next several hours, after I convey the contents of the notes that the deputy director of protocol at the Foreign Ministry has given me to my government, the ambassador said. She was called to the Foreign Ministry at noon. After meeting with deputy Manuel Lara Hernandez, director of protocol, she spoke to the press and told them that a serious irregularity had been committed by the embassy guard because unknown persons cannot be allowed into embassies for any reason.

The Costa Rican Government also protested to the Sandinist regime over the statements that Nicaraguan Defense Minister Humberto Ortega made to the press. According to Ortega, [words indistinct] in the Upala area there are U.S. military units that are planning to attack Nicaragua. The Sandinist military leader added that U.S. military units have expanded airstrips at Los Chiles and Llano Grande and built roads near the Costa Rican-Nicaraguan border. The Costa Rican Foreign Ministry has flatly denied these statements. Commander Ortega's statements are completely unfounded and not only confuse public opinion but also affect the proper course of relations that the Costa Rican Government desires to maintain with the Nicaraguan Government, the protest note states. Therefore, Costa Rican Foreign Minister Carlos Jose Gutierrez adds, I am compelled to present the strongest protest of the Costa Rican Government.

Other Sandinist leaders made similar statements to that effect some months ago. They said with certainty that an invasion against Nicaragua was being prepared in Costa Rica and that it would take place in October.

BRIEFS

UNEMPLOYMENT DECREASES — The country's unemployment rate is 4.9 percent according to the latest polls conducted by the Labor Ministry and the Economy and Commerce Ministry's Directorate of Statistics and Census. This drop in employment has been attributed to economic stability. The polls indicate that the current work force totals 887,587, and of this figure 844,383 are employed and 43,204 unemployed. [Summary] [San Jose Radio Reloj in Spanish 0100 GMT 27 Dec 84 PA]

PER CAPITA INCOME RISES -- Eduardo Lizano, Central Bank president, reported yesterday that the nation's per capita income grew by 3.4 percent this year. Lizano attributed this increase to a 4.5 percent growth in the industrial sector this year and greater activity in the domestic market. [Summary] [San Jose LA REPUBLICA in Spanish 19 Dec 84 p 3 PA]

EL SALVADOR

DUARTE REPORTEDLY ASKS CABINET TO RESIGN

PA280407 Paris AFP in English 0401 GMT 28 Dec 84

[Text] San Salvador, Dec 28 (AFP) -- El Salvador's embattled President Napoleon Duarte has asked all his ministers to resign so that he can reorganize the cabinet, a reliable source said Thursday. The Christian Democratic administration set up by Mr Duarte when he was elected six months ago is locked in struggle with the right-wing majority in the Legislative Assembly, as well as with the country's leftist rebels.

Salvadoran politicians are predicting some "important" changes in the Army command too, due to differences of opinion over the Christmas and New Year's truces with the guerrillas that the government agreed to.

The conflict with the Assembly worsened on Wednesday when the rightist majority rejected as "unconstitutional" a partial veto of the new electoral bill. Mr Duarte had vetoed two provisions of the bill. One would bar his son from seeking reelection as mayor of the capital next March. The other would allow rightist parties to be listed separately on the municipal and parliamentary election ballots next March, and yet pool their votes. The president called the second provision a trick to fool the public.

The Assembly voted 34 to 24 to bring the president to trial for violating the Constitution if he failed to accept the entire bill. That resolution was "a clear attempt to destabilize the democratic process," said Vice-President and Interior Minister Rodolfo Castillo.

DUARTE ON DEATH SQUADS, DIALOGUE, PEACE EFFORTS

PA272027 San Salvador EL MUNDO in Spanish 24 Dec 84 p 11

[Text] Twenty-eight technicians who have specialized in investigative techniques recently returned to the country; they will comprise the commission to study some of the murders perpetrated by the death squads, according to President Jose Napoleon Duarte.

The president said that the 28 security corps members have been trained in investigative techniques and to protect government officials and prisoners. Duarte said that this measure of preparing Salvadorans to carry out investigations is part of the promise he made to create a commission to investigate the death squads. The squads have been accused of murdering thousands of peple who were taken from their homes during the night and later reported missing.

The president said that this is part of a plan to improve the situation in the justice sector.

In addition, when asked about the country's situation, he said: "We must accept that there exists an internal war in El Salvador and, as long as guerrilla groups continue to attack the country's economy, the Armed Forces will continue to absorb most of the budget. This war represents an expense of 800 million colones per year to the country and the government, and no one is paying for this," Duarte emphasized.

Referring to the dialogue started with the FMLN-FDR guerrilla groups, he admitted that the rightist sectors oppose a solution though dialogue. "They would prefer to see the country bleed, but I shall continue with my efforts to achieve peace. In January 1985 I will analyze the situation in depth because I have not said I will not continue with the dialogue. We will continue with it," the president said.

Referring to the partial veto on the electoral law and the nonapproval of the budget by opposition deputies, President Duarte said: "They do small, petty, vengeful, and belligerent things, and fail to notice the damage that is being done to the country."

GUERRILLA VIOLATIONS OF CHRISTMAS TRUCE REPORTED

PA280253 San Salvador EL MUNDO in Spanish 26 Dec 84 p 3

[Excerpt] San Miguel, 26 Dec -- In open violation of the free movement of vehicles and the truce approved by the FMLN General Command, a group of guerrillas were attacking military security posts and stopping vehicles to collect war taxes in various sectors of the eastern zone, it was reported.

At 2000 night before last, a military source reported that the guerrillas attacked with rifle and mortar fire the military security post in the Lempa River bridge, which is located between San Nicolas Lempa and San Marcos Lempa. After 45 minutes, the troops repelled the attack and it is probable that the rebels had casualties that they took with them to Isla Mendez and to Jiquilisco when the Army reinforcements arrived.

The military security post reported one wounded. It also said that the guerrillas were using loudspeakers, asking the soldiers to surrender because this was a large-scale attack which involved other parts of the country as well.

Yesterday, the guerrillas were very active in various sectors of the Pan-American Highway and on an Army road, where they set up a road block to stop all vehicles to demand war taxes from drivers and passengers. Another group of guerrillas was preparing an ambush near the detour to Santo Anita, at km 147, but it was dispersed by Army troops after a brief shootout. This action was supported by the Air Force with helicopters.

On 24 December, another group of guerrillas was holding up the vehicles along the Pan-American Highway in San Felipe Canton for approximately 30 minutes, demanding war taxes from the passengers and telling the people: "We are at war and for us there is no truce."

In the afternoon of 24 December, the people of La Trinidad de Jucuapa canton were forced to attend a meeting, where the guerrillas told them that they were winning the war. They distributed subversive propaganda in which the FMLN confirms the victory of the guerrillas and stresses that the purpose of the struggle is to reach power to change the system.

Last Sunday morning in Arenales Chinameca canton, a group of guerrillas intercepted several trucks transporting coffee beans. They told the workers to unload the bags and to dump the coffee on a dusty road. Later on they drove a bulldozer over the coffee. At approximately the same time, other guerrillas were doing the same thing on Las Canarias de Chinameca farm. They took the trucks loaded with diffee to Las Marias canton, where they dumped the coffee on a dusty road. In the morning of 23 December, near Mercedes Umana, the guerrillas were stopping vehicles at km 105 of the Pan-American Highway and demanding money.

Army Official on Violations

PA271507 San Salvador Radio Cadena Sonora in Spanish 1515 GMT 26 Dec 84

[Report by Alberto Barrera]

[Excerpts] The FMLN and Salvadoran Armed Forces have accused each other of violating the truce announced by the FMLN effective from 0000 24 December to 2400 today, 26 December. The accusations have been issued through various means. The FMLN guerrilla groups said through their clandestine stations that the Army raided the northern zone of Chalatenango Department, thus violating the truce announced early in December. We have established contact with Colonel Benjamin Ramos Mendoza, commander of the Military Detachment No 1 headquartered in Chalatenango, and asked him about the guerrilla groups' attacks on Concepcion Quezaltepeque and Dulce Nombre de Maria.

[Begin recording] [Ramos] Yes, there was an attack on 24 December at 0400 on the town of Concepcion Quezaltepeque. We sustained two casualties during the attack, and the enemy sustained dead and wounded. We later found a rifle and ammunition that had been left behind. We came to the conclusion that they sustained some dead. In addition, we sent out several patrols throughout the day, 24 December, to gather information, and they confirmed that the rebels had evacuated an undertermined number of wounded.

Also, on the night of 24 December an attack was perpetrated on the town of Dulce Nombre de Maria, where the 4th Infantry Brigade is stationed, and [words indistinct] that a terrorist was killed there. His corpse was turned over to the town's mayor, who ordered the usual procedures prior to his burial. The rebel was buried yesterday, 25 December.

[Barrera] Does this mean that the guerrilla forces did not respect the truce that had been announced?

[Ramos] Of course they did not respect it. hey have mobilized their forces since 23 December throughout northern Chalatenango Department. We have been alert and aware of these movements, and we remain at our positions.

[Barrera] In other words, the Army continues its comb and search operations, I think you call them patrol operations, throughout the zones of Chalatenango Department.

[Ramos] Yes, of course. We always comply with the high command's guidelines, and we have never abandoned them. Quite the contrary, the Salvadoran people need to have a certain assurance, so we have increased these activities. Thus, the Salvadoran people will be able to breathe easier during these Christmas and New Year festivities.

[Barrera] According to a report issued here by (?an international news agency) the Army raided the zone of Las Vueltas, or La Laguna, or some other place, during these last days. Is this true, Colonel?

[Ramos] Well, I repeat, we have maintained our patrol activities in the area. I have already told you that we had plans which clearly state that we must continuously patrol the area. Therefore, we merely followed orders.

[Barrera] I believe that Colonel Sigifredo Ochoa, commander of the 4th Military Zone, said that no forces have supported these operations; only the infantry has been active in the zone.

[Ramos] Affirmative; that is quite true. The answer is yes.

[Barrera] There has been no Air Force activity?

[Ramos] No, none. Your information is correct.

[Barrera] Do you want to add anything?

[Ramos] No, I only want to thank you and the radio station. [end recording]

CP HEAD INTERVIEWED ON DIALOGUE, ARMED STRUGGLE

AU241201 Bratislava PRAVDA in Slovak 22 Dec 84 p 4

[Interview given by Shafik Jorge Handal, general secretary of the Central Committee of the Communist Party of El Salvador [CPES], to Bratislava PRAVDA staff journalist Rudolf Nittmann at the international conference of communist and workers parties on the work of the journal PROBLEMS OF PEACE AND SOCIALISM held in Prague on 4-6 December: "A New Stage in the Struggle of the Salvadoran People"]

[Excerpts] [Nittmann] Among the most typical features of the present Salvadoran reality are the dialogue between representatives of the patriotic forces and the ruling regime of President Duarte, and the retaliatory operations of the FMLN-FDR in response to the reactionary regime's negative attitude toward the proposals for peace and a political settlement of the Salvadoran crisis put forward by the patriots on 15 October in La Palma and on 30 November in Ayagualo.

At the recent Prague international conference of communist and workers parties about the work of the journal PROBLEMS OF PEACE AND SOCIALISM I asked Comrade Shafik Jorge Handal, general secretary of the CPES Central Committee about his party's position on these issues, the most vital issues facing the people of El Salvador.

How did the latest stage of the struggle of the Salvadoran people, the state of armed struggle against the dictatorial regime, start?

[Handal] The CPES conducted a dialogue with all revolutionary, democratic, and left-wing forces, stressing that unity of these forces is an essential prerequisite for the success of their struggle. This agreement on unity was reached in 1979, which helped to rapidly unite all revolutionary forces and the entire people's movement in the country. In April 1980, the democratic forces set up the FDR. By October, all revolutionary forces were united and the FMLN was founded. These organizations associate all revolutionary and democratic forces in the country.

The CPES' Armed Liberation Forces, together with four other fraternal revolutionary organizations, are part of the FMLN, which is the vanguard of the Salvadoran people. The FMLN-FDR coalition links armed struggle with political and diplomatic struggle, and in every method of its struggle and in the entire historical process of the revolution's development, it maintains a steady offensive course.

In January 1981, the united revolutionary forces started a broad liberation war offensive. It is true that even prior to this date individual segments carried out many armed operations, but as of 10 January 1981, the united forces have been proceeding jointly on all fronts. This energetic struggle of the Salvadoran patriotic and revolutionary forces has been under way for 4 years now and the CPES with its own armed component, the Revolutionary Army, is taking part in this struggle. In my capacity as the party's general secretary, I am also the commander in chief of this revolutionary army. In the almost 50 years that have passed since its founding, our party has thus been taking part in the struggle of the people of El Salvador.

[Nittmann] Meetings between representatives of revolutionary forces and President Duarte's governing regime are a new feature of this struggle. How do you assess these talks?

[Handal] It is impossible as yet to describe these meetings as talks or negotiations. A dialogue has begun. We have been proposing this dialogue for 3 and 1/2 years; we have been proposing talks so that a political solution to the internal conflict can be found. The enemy was convinced that militarily he would defeat us very quickly. But events have taken a different course than the adversary expected. Despite gigantic U.S. assistance to the ruling regime, our armed forces are crushing the troops of the dictatorship. Whereas in January 1981 the dictatorship's Army and security forces had 14,000 men, now, due to American assistance, the Army has 43,000 men under arms. It is now a modern army with great firepower, an army that is equipped with tanks and a large number of helicopters. The Americans have also supplied it with reconnaissance aircraft having electronic instruments for day-and-night surveillance. U.S. Navy combat vessels constantly ply the waters near our country's coast. In neighboring Honduras, there are training bases for Salvadoran soldiers. The United States incites the Honduran Army to take part in combat operations along the border. The United States has officially rendered to El Salvador $1 billion in military aid but, together with additional indirect and secret credits, this aid represents $2,5 billion. We could not but feel all this in combat and have really had to do much to achieve the current correlation of forces.

We are crushing the mighty military-political structure of American imperialism and of the dictatorship supported by it. It was precisely due to the new distribution of forces that the government of President Duarte had to accede to holding a dialogue. However, for this dialogue to grow into talks additional changes in favor of the liberation front are still necessary. The proposals put forth by Duarte so far are equivalent to our defeat -- he proposes to us an amnesty, that we lay down our arms, that some of us will be free to go abroad and the rest will be able to become involved in political life under conditions set by the government. That would amount to capitulation on our part.

It would be absurd, and must not be permitted, for the enemy who was not, and never will be, capable of defeating us in combat to accomplish this at the conference table. However, the FMLN-FDR wants to continue the dialogue and turn it into talks. That is why it put forth for negotiation comprehensive proposals for a political settlement. It did so before the public of the country and the whole world. The government turned down these proposals.

At the last meeting on 30 November, an agreement was reached that the dialogue would continue. In this situation it is necessary to be patient and to wage our struggle further. Through these meetings, the FMLN-FDR coalition achieved broad international recognition. From the experience of the two meetings it is possible to draw the conclusion that, although the shifts in the correlation of forces were sufficient to start a dialogue, they are not yet sufficient to open a path to talks.

[Nittmann] What is the situation now, following the first two stages of this dialogue, which has aroused so much attention all over the world?

[Handal] Our struggle continues. On 2 December, for example, an entire American-trained enemy battalion was destroyed in the central part of the country, in the La Paz Department near the town of Zacatecoluca. More than 130 soldiers were killed or injured and an additional 35 were taken prisoner. The remainder of the small, 360-man-strong battalion was dispersed. Only 10 soldiers returned to the barracks. This happened 2 days after the government turned down our proposals. Commander Milton, who commanded that operation, said: "This is our reply to the government's rejection of our proposals!" The armed, political, and diplomatic struggle has thus reached a new level, it has made the transition to a new, more intensive, and more complex phase. The energy and strength of the small but heroic Salvadoran nation have not yet fully developed, but we communists have boundless faith in the victory of our revolution.

GUATEMALA

MEJIA: ARMY SUPPORTS NO PRESIDENTAL CANDIDATE

PA230318 Panama City ACAN in Spanish 1906 GMT 22 Dec 84

[Text] Guatemala City, 22 Dec (ACAN-EFE) -- Head of State General Oscar Mejia Victores today said that the Army does not support any candidate in the next general elections. The statement is contained in a press communique issued by the head of state's office.

"The Army will not support individuals, parties, or personalities in the forthcoming elections because it is a professional institution and will maintain its neutrality in the process," said Mejia.

"We took the first step for democratic elections last July. For us, taking a false step would make us stumble and fall," he added. He affirmed that his government "still has to help improve the country and correct errors of the past."

The presidential elections will be held in July 1985, according to political sources, but in the past few days there have been insistent reports that the government is preparing to launch its own candidates. The head of state also referred to other reports, which state that the Constituent Assembly could in the near future become a legislative body. "We are going to respect the law. Therefore, although some deputies might attempt it, they could never commit an error of this nature," said the military chief.

HONDURAS

PRESIDENT SAYS MANEUVERS WITH U.S. TO CONTINUE

PA271546 Tegucigalpa Domestic Service in Spanish 1130 GMT 27 Dec 84

[Text] On 25 December Honduran President Roberto Suazo Cordova visited the Palmerola military installations where he met with General Paul Gorman, commander of the U.S. Southern Command, and Colonel (Charles Percy), in charge of the U.S. forces in Honduras.

The president spoke with them about topics of national interest and attended a lunch held in his honor. At the end of the lunch, President Roberto Suazo Cordova said:

[Begin recording] As the constitutional president of Honduras I want to express and reiterate to the U.S. Government and people our friendship and affection and our hopes that our relations will increasingly (?be closer). You have always been an example of freedom, justice, and true democracy for the rest of the world. We are beginning to strengthen a democratic process of the constitutional government that I head. It is a government that is the result of the freely expressed majority will of the Honduran people. (?We have) honest and just leaders fully supported by our Armed Forces. Despite the strife-torn Central American situation and our economic crisis, we have the people and the Armed Forces' support to continue.

I have repeatedly said on television and in the press that the joint maneuvers between the U.S. Armed Forces and the Honduran Army will continue in accordance with the 1952-1954 treaty in force and the (?modifications) currently being discussed. For us, the troops in Honduras are not occupation forces. They are U.S. brothers who are helping to professionalize and train our Armed Forces. I state this because on the radio and in the press some local politicans only say bad things about the U.S. troops in Honduras. Sovereignty fully resides in the Honduran people and the constitutional government that I head. These are the same individuals who feel very pleased and happy about the Soviet occupation of Afghanistan. They are the same ones who do not protest the Warsaw Pact maneuvers in subjugated countries. [Words indistinct] of subversion and convulsion like Nicaragua, El Salvador, and Guatemala. Our people are very intelligent and our Armed Forces are identified with the people and they are determined to preserve democracy in our country.

I just wanted to reiterate my permanent friendship with the U.S. Government and people so that you can state through the U.S. news media that the troops here are not occupation troops, like the communists say. Our forces are being trained because we believe that national security is essential. Any expenditure or sacrifice is to the benefit of the Honduran people, Central America, and democracy. Therefore, once again I thank you for your invitation and I reiterate our permanent [words indistinct]. I told the Armed Forces that in President Suazo Cordova they will always find a friend and a comrade in arms. As I told the Honduran Armed Forces, when I return to the life of a citizen they will find in Suazo Cordova the same permanent friend. I know that tomorrow those who always criticize what they describe as the occupation of the national territory will not criticize me but [words indistinct]. Once again, thank you for your invitation. [end recording]

NICARAGUA

PARTIES SEEK WAYS TO RESUME NATIONAL DIALOGUE

PA272302 Managua Radio Noticias in Spanish 1200 GMT 27 Dec 84

[Text] Representatives of nine political parties met for 5 hours [on 26 December] to establish the bases for the resumption of the national dialogue. Beginning at 1600 the nine held a meeting at the Independent Liberal Party Clubhouse to discuss ways to resume the dialogue that was broken some time ago.

After an extended meeting that lasted until 2100, the participants unanimously agreed that the bases for the resumption of the national dialogue must be well established and that after that the FSLN, the party without which the dialogue would have no raison d'etre, would be invited to participate in it.

Among those parties that took part in the meeting are the Social Democratic Party, the Independent Liberal Party, the Nicaraguan Socialist Party, the Nicaraguan Conservative Party, the Communist Party of Nicaragua, the Social Christian Party, and the Constitutionalist Liberal Party. The Marxist-Leninist Popular Action Party, and the FSLN -- naturally, since it will be invited after an agreement is reached on the topics to be discussed at the national dialogue -- did not send their representatives.

Jaime Chamorro Cardenal of the Nicaraguan Democratic Coordinating Board expressed his opinion on the efforts to resume the national dialogue. All effort is good, he said. Here is his statement:

[Begin recording] We came to discuss a common concern and to see what can be done to achieve reconciliation. Peace must be sought in Nicaragua. Peace must be achieved by means of a domestic agreement between Nicaraguans. This way the powers that are fighting each other here over Nicaragua...[changes remark] We are between two powers that are confronting each other in Nicaragua. This is my opinion. We must find a way so that they leave us in peace and allow us to solve our own problems. The first thing that we have to do is reach a settlement among ourselves. [end recording]

H. ORTEGA EXPRESSES CONDOLENCES ON USTINOV DEATH

PA231619 Managua Radio Sandino in Spanish 1300 GMT 23 Dec 84

[Condolence message from Commander of the Revolution Humberto Ortega, defense minister, to Konstantin Chernenko, secretary general of the CPSU Central Committee, issued in Managua on 22 December]

[Text] Managua, 22 December 1984

Fifty years later, Sandino lives!

Companero Konstantin Chernenko, secretary general of the CPSU Central Committee and chairman of the USSR Supreme Soviet:

Dear Companero:

On behalf of the FSLN National Directorate, the fighters who defend our fatherland, and myself, please receive our condolences over the death of Companero Dmitriy Ustinov.

Revolutionarily yours,

[Signed] Commander of the Revolution Humberto Ortega, commander in chief of the Sandinist People's Army, national commander of the Sandinist People's Militia

CARDENAL REPORTS 98 TEACHERS SLAIN IN 1984

PA220303 Managua Radio Sandino Network in Spanish 0000 GMT 22 Dec 84

[Text] Education Minister Father Fernando Cardenal has said that a total of 98 people's teachers were slain by the counterrevolution in 1984. He added that 171 adult education teachers were kidnapped and 15 primary schoolteachers were slain and 16 kidnapped by mercenaries working for the CIA. He also said that 14 schools were totally destroyed, 840 adult education centers were shut down, and 359 schools did not operate because of the counterrevolution. Father Cardenal estimated at 20 million cordobas the damage caused to education centers as of September 1984.

WHEELOCK ON NEW COFFEE PRODUCTION INCENTIVE

PA241558 Managua Radio Sandino Network in Spanish 1200 GMT 24 Dec 84

[Report by Jaime Mairena]

[Text] We have the following information from Matagalpa for Radio Sandino: A new incentive for coffee production was announced yesterday, Sunday afternoon, by Commander of the Revolution Jaime Wheelock Roman, minister of agricultural development and agrarian reform. He visited two State Production Units [UPES] in the 6th region, distributed toys among the children of the coffee farmworkers, and met with several important coffee producers to make the announcement. Commander Wheelock said that the revolutionary government has made a series of surveys and, in recognition of the increase in costs, decided to raise the coffee purchase price to 3,100 cordobas FAS [Free Alongside Ship] with the intention to encourage coffee exports. Let us listen to Commander of the Revolution Jaime Wheelock as he made the announcement:

[Begin recording in progress] ...A series of incentives that will later be submitted for approval. We wanted to announce today that the government has reviewed the coffee price for this harvest and has raised it to 3,100 cordobas FAS. In addition, we are recognizing the different qualities; namely, Caribe, Segovia, and Naranjito. This will represent a further increase in the price, fluctuating between 150 and 350 cordobas. We will establish the exact prices later, in coordination with the Foreign Trade Ministry. It also means that the [word indistinct] price will also be raised, according to the coffee's quality. We feel this will encourage the coffee producers and become an incentive so that they can solve the cost problems which have prevailed lately. We are thus solving your problem and corresponding to the efforts exerted by the region to produce coffee. [end recording]

Prior to his meeting with the large producers, the FSLN National Directorate member toured the following UPES: La Oriental and La Cumplida. He told the production brigade members that 12 percent of the 800,000-quintal production goal has already been picked. This means that more than 90,000 quintals have been picked.

After distributing toys to the workers' children at the two UPES, Commander of the Revolution Wheelock announced that we are currently achieving two victories: one, the counterrevolution is being dealt overwhelming blows; two, the coffee production is being carried out with the people's unity and will. He also issued the FSLN National Directorate Christmas message to production brigade members.

[Begin recording] I want to tell you that the counterrevolution and the CIA want to boycott coffee production because they hope the country will face an economic crisis. We are fighting the counterrevolution with our weapons and we can assert that we are delivering overwhelming blows. This will be a lengthy costly struggle. We will lose many lives because our enemy has armed the counterrevolution very well. It is difficult to quickly annihilate the contras in the mountain areas; sometimes they attack us by surprise from an advantageous position. Therefore, the struggle will last a long time but we are overcoming all of these things and are defeating the counterrevolution. We are stopping the counterrevolution; they are withdrawing every day. In addition, the coffee harvest will allow us to obtain a military and political victory [word indistinct]. That means that this nation will be intimidated by no one, not even if our enemy is U.S. imperialism. We must exert ourselves; we must work hard. I want to congratulate you for your working spirit and high morale. It says a lot about you, your organizations, and the Nicaraguan people. [end recording]

RIVAS LEIVA ON SANDINIST-IMPOSED MARXIST REGIME

PA212250 San Jose Radio Impacto in Spanish 1830 GMT 22 Dec 84

[Text] Luis Rivas Leiva, a leader opposing the Nicaraguan regime, has said that the Sandinists are trying to gain time to impose a Marxist regime in Nicaragua, but added that time is running out for them. Rivas Leiva, former president of the Ramiro Sacasa Guerrero Democratic Coordinating Board, CDN, was interviewed recently at CDN headquarters in Managua.

According to Rivas Leiva many factors out of the Sandinists' control have forced them to delay the radical implementation of Marxism. He said that one of those factors is the country's geographic position. Nicaragua is not an island like Cuba and it is surrounded by U.S. allies, Rivas Leiva added. Another factor is the democratic groups that have stayed in the country and are waging a struggle against the regime, he said. We can also mention the fact that Nicaragua is a fervently Catholic country, he indicated.

Finally, Rivas Leiva said that no other Marxist regime has had to oppose such a strong counterrevolution. This opposition he added keeps the regime from being able to consolidate power. The Sandinist's strategy is to gain time in order to consolidate its military regime.

RECENT MDN ASSEMBLY RESTRUCTURES LEADERSHIP

PA271634 San Jose LA NACION in Spanish 21 Dec 84 p 6 A

[Text] The Nicaraguan Democratic Movement (MDN) restructured its leadership during a general assembly held last Wednesday. Engineer Alfonso Robelo and newsman Fabio Gadea Mantilla were elected president and vice president, respectively. A communique issued by that political movement stated: "The restructuring of our leadership takes place at a time when all MDN efforts will be aimed at the political target of reopening the 17th OAS consultation session. The FSLN committed itself before that group to establish a democratic regime in Nicaragua."

CASTRO PRESIDES OVER PCC CENTRAL COMMITTEE PLENUM

FL280147 Havana Domestic Service in Spanish 0000 GMT 27 Dec 84

[Text] The 10th Plenum of the Communist Party of Cuba Central Committee, presided over by its first secretary, Commander in Chief Fidel Castro, was held on 24, 25, and 26 December in Havana.

The plenum approved the convocation of the third party congress, to be announced shortly, and the rules for selection of delegates to the most important event of Cuban Communists.

The plenum's participants studied economic and social development projects and the state's budget for 1985. The plenum emphasized the fact that our economy's development strategy is based on the strong promotion of export development with special efforts toward diversification and the process of import substitution. The Central Committee's 10th plenum reported that the fulfillment of planned economic goals is based on an increase of the country's general economic efficiency. It stressed that work productivity should show considerable growth. The plenum studied important aspects of the political and ideological efforts on behalf of the country's defense and gave full support to the recent statements by the commander in chief on economic policies and international planning.

The Central Committee plenum's concluding remarks were made by the party's first secretary, Commander in Chief Fidel Castro.

LENINGRAD PROVINCE OFFICIALS ARRIVE FOR VISIT

FL272106 Havana Television Service in Spanish 1800 GMT 27 Dec 84

[Excerpt] A delegation from the provincial and municipal soviets of Leningrad Province, the Soviet Union, has arrived in Santiago de Cuba, invited to attend the events to be held to commemorate the 26th anniversary of the triumph of the revolution.

The delegation is headed by Comrade Rudolf Praust, first deputy chairman of the Leningrad Province Soviet, and includes Nataliya Yeliseyeva, deputy chairman of the Leningrad City Soviet, (Yuriy Zocholov), president of Tosno City Soviet, and (Nikolay Aniriov), an important expert in potatoes at a state farm.

REGULATORY HOUSING LAW UNANIMOUSLY APPROVED

FL272014 Havana Domestic Service in Spanish 1916 GMT 27 Dec 84

[Text] A few moments ago, the new housing law, which will regulate everything related to this area, was unanimously approved by deputies attending the 7th Session of the People's Government National Assembly [ANPP]. The important document was widely studied by the ANPP Commission and debated thoroughly by numerous representatives.

11 AREA NATIONS TO HOLD FOREIGN DEBT MEETING

FL261438 Bonaire Trans World Radio in English 1130 GMT 26 Dec 84

[Text] The ministers of foreign affairs and finance of 11 Latin American nations will meet in the Dominican Republic February 4th to 8th to discuss the region's $360 billion foreign debt.

Dominican Foreign Minister Jose Augusto Vega Imbert said yesterday that some 40 delegates from the 11 nations comprising the Cartagena group would meet in the Dominican capital for 4 days to analyze Latin America's external obligations, generally considered one of the greatest challenges facing the region.

Mr Vega also said that to prepare for the meeting, the deputy foreign affairs and finance minister of the 11 countries will first meet in the Dominican Republic January 11th.

IMF CONDITIONS LOAN TO IMPLEMENTATION OF TAXES

FL271556 Bonaire Trans World Radio in English 1130 GMT 27 Dec 84

[Text] The International Monetary Fund has conditioned a standby loan agreement to the Dominican Republic on the implementation of new taxes. The daily newspaper LISTIN DIARIO said yesterday that IMF representatives had called congressional approval of new taxes essential for providing the loan, part of a $459 million package agreed on last year.

The newspaper quotes IMF Director Jacques Larosiere as telling a Dominican delegation in Washington that responsibility for the next agreement must be shared in large part with Congress. A source quoted by the newspaper said the IMF had recommended taxes totaling some $48 million.

BRIEFS

AMBASSADOR TO ECUADOR -- Guarionex Rosa, new Dominican ambassador to Ecuador, presented his credentials to Ecuadoran President Leon Febres Cordero yesterday during a ceremony at the Government Palace. Rosa asserted that Ecuador and the Dominican Republic "agree on several aspects of the economic problems in Latin America and problems at the world level." [Excerpts] [Paris AFP in Spanish 1542 GMT 14 Dec 84 PA]

JAMAICA

PNP SAYS GOVERNMENT PLANS TO INCREASE SECURITY

FL272136 Bridgetown CANA in English 2113 GMT 27 Dec 84

[Text] Kingston, Jamaica, Dec 27, CANA -- Jamaica's opposition People's National Party (PNP) claims the government is planning to amend existing security laws to allow for the indefinite detention of persons on suspicion.

This, the party's national security spokesman, K.D. Knight, said would obviate the need to declare a state of emergency. The charge was the latest PNP salvo in the quarrel here over internal security issues following recent charges in Parliament by national Security Minister, Winston Spaulding that leftist government opponents, aided by Cuba, were behind a rise in criminal violence here. Spaulding called the names of members of the PNP and the Marxist Workers Party of Jamaica (WPJ) who he said were involved in criminality, but claimed that legal technicalities made it impossible to prove such cases in court. However, Spaulding repeated previous government assurances that there would be no declaration of a state of emergency, a controversial subject here. Spaulding's Jamaica Labour Party had maligned the 1976 declaration of a state of emergency by the PNP when it was in government. The party has been advised that the presentation by Spaulding in Parliament was to establish a case that the laws are inadequate, and the objective was to prepare the country to accept the need for these amendments, Knight said.

The WPJ's general secretary, Dr Trevor Munroe, had made a similar charge at his party's third congress recently. Munroe claimed that the government was laying the ground work to introduce South African-type anti-terrorist legislation so that the security forces could arrest on suspicion.

Knight said in his statement that the existing laws were adequate to allow the security forces to take action they consider necessary to deal with the present state of crime and to arrest and bring before the courts those persons against whom the minister said evidence had been accumulated.

SPAULDING ON PNP, JUF CALLS FOR INQUIRY

FL211348 Kingston Domestic Service in English 0500 GMT 21 Dec 84

[Text] National Security Minister Winston Spaulding says the People's National Party [PNP] has avoided the issues in their responses to his recent crime presentation in Parliament. Mr Spaulding in a release yesterday accused the PNP of maintaining silence on the facts and many of the other critical issues which he contends have nothing to do with the allegations involving Mr Enoch Blake and Mr Paul Burke. The security minister says he welcomes the suits being brought against him and once he receives any writ in the matter, he has promised to facilitate a speedy trial.

Meanwhile, both Mr Spaulding and the PNP spokesman on national security, attorney K.D. Knight, indicated publicly yesterday that they will be willing to meet. The minister said he would set no pre-conditions for such a meeting, while Mr Knight insisted that it would have to be a meeting to discuss the national crime situation.

And, the Jamaica United Front [JUF] has called on Prime Minister Seaga to set up a national commission of inquiry into the incidents of crime which affects national security. The JUF general secretary Mr C.E. Dennis said name calling in parliament was pointless with no chance of a follow up action, and only leads to cheap political denials and cover ups.

The release also contained a warning to the major political parties that Jamaicans are becoming more disgusted with their performance.

CABINET TO PRESENT PRO FORMA RESIGNATION

FL271450 Bonaire Trans World Radio in English 1130 GMT 27 Dec 84

[Text] Suriname Prime Minister Wim Udenhout has confirmed he and the rest of the provisional Suriname cabinet will step down at the end of the year as agreed when the cabinet was appointed last February. In a Christmas message to the country Tuesday night, Mr Udenhout said he had offered his resignation to Lieutenant Colonel Desi Bouterse, chairman of the military authority, effective December 31st. Political observers expected the cabinet, which was appointed after labor unrest threatened to topple the military government earlier this year, to be assigned for another term. The ministers could be sworn in during the New Year's Day reception at the Presidential Palace.

The nine-man cabinet, which comprises two appointees each from labor and trade and industry, and vice ministers designated by the military authority was expected to remain basically the same although the observers said Finance Minister Marcel Chehin and Labor Minister Siegfried Gilds were likely to be replaced. In his national address, Mr Udenhout called for a resumption of talks with the Dutch Government to normalize relations between the two countries. Holland suspended aid to Suriname after the December 1982 killing of 15 opposition members by government forces, and has conditioned a resumption of assistance to a more toward democratic institutions.

PROGRESS MADE ON NATIONAL ASSEMBLY COMPOSITION

FL241432 Hilversum International Service in English 1030 GMT 24 Dec 84

[Text] Progress has been made in Suriname in deciding the composition of the National Assembly, which is due to convene on the first of January. The trade unions have decided on the sharing of 11 seats assigned to them. Employers receive six seats, and the military rulers reserve 14 seats for themselves.

EMPLOYERS' BODY OPPOSED TO ASSEMBLY PROPOSAL

PM211004 Rotterdam NRC Handelsblad in Dutch 14 Dec 84 p 5

[ANP report: "Section of Surinamese Industry and Commerce Shuns Assembly"]

[Text] Paramaribo/The Hague, 14 Dec -- The Association of Surinamese Industry and Commerce will not take part in the formation of the National Assembly, it was decided at a closed meeting Wednesday. The other important association of Surinamese employers, the Association of Surinamese Manufacturers [ASFA], will probably select representatives to serve in the Assembly. There also seem to be reservations in the trade union movement about the Udenhout government's democratization plan, because it does not go far enough.

The Association of Surinamese Industry and Commerce's reservations relate in particular to the division of seats in the Assembly which remains to be formed: 14 for the military authorities, 11 for the trade union movement, and 6 for industry and commerce. In a secret ballot the proposal was rejected by 58 votes to 29. ASFA accepted the plan by 52 votes to 14.

Prior to the vote the Association of Surinamese Industry and Commerce and ASFA had an 8-hour meeting in the Presidential Palace with Army leader Bouterse, Prime Minister Udenhout, and Deputy Prime Minister Leeflang. According to Bouterse, the proposed allocation of seats was decided on because the trade union movement wanted to allow the labor factor to weigh more heavily than the capital factor.

According to Surinamese daily DE WARE TIJD a meeting of trade union members voiced criticism on several points of the Udenhout government's democratization plans. According to the trade union members, the democratization plans must be the subject of a referendum, and the Surinamese people must be allowed to choose their leaders themselves.

Trade Union Confederation C47 leader Fred Derby said that if elections were held now they would end in a victory for the old political parties. He described the democratization plan of [former Prime Minister] Jan Haakmat, which has been praised by the Netherlands, as a "con trick" which was "cobbled together by Netherlands politicians."

BOUTERSE OFFERS OPPOSITION 'POLITICAL OPENING'

PM211058 Amsterdam DE VOLKSKRANT in Dutch 15 Dec 84 pp 1, 3

[Cor Groeneweg and Cees Zoon report: "Bouterse Wants Talks With Surinamese Resistance"]

[Excerpt] Amsterdam -- Surinamese Army leader Desi Bouterse considers that he has become completely isolated and has therefore decided to enter into negotiations with a section of resistance to his regime. Last week he held comprehensive talks with a delegation representing former Deputy Prime Minister Andre Haakmat. The delegation's conclusion is that a "political opening" is beginning to appear in Suriname.

"Bouterse agrees with us that the military authorities' support base is very narrow," Haakmat said. He was very oepn about it. Although he pointed to the numberous problems which have caused this state of affairs, he agreed that it is essentially true. He is aware that he is further than ever from his hope of becoming a people's leader. The government's present course has run it aground."

Bouterse listened to all the criticism which the delegation leveled against him and did not reject it out of hand. Haakmat's representatives also presented their plan for democratization to Suriname's strong man -- a plan which they first published this past April and which is different from the Udenhout plan on a number of points. Bouterse granted that the alternative plan should be make known in Suriname so that support can be won for it. In addition, agreement was also reached that talks will continue in coming months.

GOVERNMENT TO ESTABLISH HUMAN RIGHTS COMMISSION

FL241420 Hilversum International Service in English 1030 GMT 24 Dec 84

[Text] The Suriname Government in an official statement has said that it intends to set up a special human rights commission. The commission will investigate apparent abuses of human rights, and the commission will advise the minister of justice of cases where citizens' basic rights have been denied them. The commission is also charged with the task of informing the population of its most important rights and responsibilities. At the same time, it will be responsible for advising the government on how to make Surinamese legislation comply with international conventions governing human rights. The commission will consist of 5 to 10 members but it has not yet been decided how they will be chosen.

BOLIVIA

PLANNING MINISTER CONFIRMS CABINET RESIGNATION

PY261755 La Paz Cadena Panamericana in Spanish 1700 GMT 26 Dec 84

[Excerpt] Planning and Coordination Minister Rene Fernandez submitted his resignation last 24 December, thus complying with instructions from his party, the Movement of the Revolutionary Left [MIR], to facilitate the president's decision to form a new cabinet to face the economic crisis and to hold general elections next year. Radio Panamericana is the first to report on the statement made by outgoing Minister Rene Fernandez, who added that his resignation complies with the order given by the MIR to its members.

ECUADOR

SUPREME COURT ELECTS DEMOCRATIC LEFT PRESIDENT

PA270258 Madrid EFE in Spanish 1845 GMT 26 Dec 84

[Excerpts] Quito, 26 Dec (EFE) -- Ecuador's Supreme Court, which was the cause of a feud between the government and Congress for almost 3 months, elected Justice Gonzalo Cordova Galarza as its president today. This election puts an end to a political problem that stemmed from the election of the Supreme Court justices and which has resulted in a confrontation between the conservative government and the parliament -- which has a center-left majority -- since October. Cordova Galarza is a member of the Democratic Left, the main opposition party of the government of Leon Febres Cordero and the winner of the January legislative elections.

PANAMA

GOVERNMENT RECEIVES $30 MILLION GRANT FROM U.S.

PA272255 Panama City LA REPUBLICA in Spanish 26 Dec 84 p 24

[Text] On Monday, the U.S. Government granted Panama $30 million in economic aid. The money was earmarked for the financial stability program begun in October by President Nicolas Ardito Barletta. The grant was officially signed by Everett Briggs, U.S. ambassador to Panama, on behalf of the Reagan administration, and by Ricaurte Vasquez, Panamanian planning and economic policy minister, on behalf of Panama. For the latter country the aid constitutes a budgetary aid since Panama has registered a $40 million decrease in fiscal revenues alone.

The economic assistance, channeled through the U.S. Agency for International Development (AID), will enable the Ardito Barletta administration to make disbursements to programs which are still pending in the 1984 budget. The U.S. Administration has been careful to stress that this is the first time it has made such a large direct donation. Thus, this underscores the special relationship that exists between the United States and Panama. At the same time, the United States has made it clear that the $30 million grant is an acknowledgement by the Reagan administration of the efforts made by President Ardito Barletta to fortify democracy, and of the serious and responsible way in which he is handling Panama's public finances during this moment of grave economic crisis.